

City of Springfield  
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF  
THE SPRINGFIELD CITY COUNCIL HELD  
MONDAY, MARCH 8, 2004.

The City of Springfield council met in a work session in the Library Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, March 8, 2004 at 5:30 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Lundberg (5:35pm), Fitch, Ballew, Ralston, and Woodrow. Also present were City Manager Mike Kelly, Assistant City Manager Cynthia Pappas, City Attorney Joe Leahy, City Recorder Amy Sowa and members of the staff.

1. Joint Meeting with Springfield Chamber of Commerce.

The Mayor, City Councilors and Chamber Board members introduced themselves. Those present from the Springfield Chamber of Commerce were Sue Slaughter-Nichols Chamber Board President, Dean Huber Treasurer, Dan Egan Executive Director, Corkey Gourley President Elect, and Mike Donnelly Vice President.

Development Services Director Bill Grile presented the staff report on this item. The purpose of the work session was to meet with members of the Springfield Area Chamber of Commerce Executive Committee and staff concerning current and upcoming issues important to each organization.

Chamber Executive Director Dan Egan gave a brief review of the intergovernmental agreement (IGA) between the City of Springfield and the Springfield Chamber of Commerce. Mr. Egan referred to the packet he distributed to the council. He said the other Chamber board members would be discussing various other topics.

Mr. Egan said the Chamber has had a long relationship with the city regarding visitor services. He referred to Exhibit 1, included in the Chamber packet which refers to the history of the contract between the City and the Chamber which dates back to 1979. Included in the packet are the initial 1979 agreement and the current contract. He referred to Exhibit 4 in the packet which included a number of highlights from the current contract.

Mr. Egan said the Visitor Center remains a busy place. Most visitors are citizens asking what the city is like, when the Filbert Festival is held, what the schools are like, what is the employment picture and how is the housing. Some visitors are residents who ask how to get involved with the city. He referred to the "Springfield Magazine" which is the Chamber membership directory that was recently published. This magazine is about the people and places in Springfield and also includes listings of local businesses. The Eugene Chamber has admired this publication because it has a message that Springfield is an interesting city with interesting people and places.

Mr. Egan said the Chamber has a contract with a company called Profile Displays, a company that designs professional custom Visitor Display Units. This company will create custom wooden display cases for the Depot Building which houses the Visitor Center. These cases will give a very professional look to the Chamber Visitor Center.

Mr. Egan said the Chamber website is about to undergo a major overhaul that will improve access for visitors and for Chamber members. The Chamber will begin work based on a proposal by Nu World, a member website provider and a Springfield company.

Mr. Egan said they are often asked questions about the demographics in Springfield. They are updating those figures as well as demographics of Lane County and the City of Eugene. These updates will be mailed to council members when they are complete.

Mr. Egan discussed summer hours which include Saturdays from Memorial Day through Labor Day. The Center is often busy after business hours with events and special meetings held in the Freight Room.

Mr. Egan referred to items on page two of Exhibit 4, included in the Chamber packet. The Chamber has been doing many of these things on an ongoing basis and will not change too much. The Chamber has been working closely with Convention and Visitors Association of Lane County (CVALCO) regarding conference and hotel amenities.

Mr. Egan said many of the new items they are implementing will make the Chamber a better Visitor Center and a more impressive entrance to the city. He referred to Exhibit 5, the Springfield Area Chamber of Commerce Work Plan. This work plan includes information on the standing committees. He referred to new and proposed work listed on pages 2-4 of Exhibit 5. He referred to Exhibit 6, the Vision and Mission Statement of the Chamber and Exhibit 7, which is the current list of board members.

Mr. Egan referred to other items within the packet such as maps and brochures. Updates will be made on these publications in the next 18 months. He discussed the publication by Southern Oregon University. This publication took a look at the 2000 census as it pertained to Oregon, mainly the counties. One volume of this publication was about the people in our area; who we are, where we live, what we do for a living, what is our education and income levels, how many children are in our homes, what is our poverty level, etc. Most of the information was on the county level. The other volume included more information such as where we grow our crops, where our businesses are located, and where our forest lands are located. One of the publications included a section that spoke of the cities. This report shows how Springfield is aligned with other towns which relied in the past on timber as a major industry.

Mr. Egan discussed the newsletter that goes out monthly. The newsletter is supported by advertisements and is distributed to 850 people. The Chamber has tried to customize the information provided in the newsletter to assist various types of business owners.

Councilor Ralston asked about businesses in Glenwood and if they were annexed to Springfield when Springfield took over jurisdiction from Eugene.

Mr. Kelly said that those businesses which were annexed to Eugene became part of Springfield when Springfield took over jurisdiction. Those that were not yet annexed will eventually become part of Springfield.

Councilor Ralston asked if FarWest Steel is considered part of Springfield. He said it is one of the top ten employers in Springfield and he has not seen it included in such listings.

Mr. Egan said he would check to make sure businesses in Glenwood are being included in the Chamber reports. Most of the businesses in Glenwood are not Springfield businesses per se, as they do not pay into the city. The top 25 businesses in Springfield should include businesses in Glenwood. He discussed the number of employees with Councilor Ralston.

Mr. Egan said that if council had further questions after reading through the packet, they were welcome to contact him.

Mr. Egan introduced Chamber President Sue Slaughter-Nichols.

Ms. Slaughter-Nichols discussed the Northwest Center at Springfield. The Chamber has been working on this for three years and came before council last year with Ernest Bleinberger, the representative from Hunter and Associates. Ms. Slaughter-Nichols said the Clarion is closing in less than a month, so Springfield will be losing the largest meeting space area in Springfield. A group from the Chamber attended this "If You Build it, Will They Come" Conference in Florida. She thanked Mike Kelly and Councilor Woodrow for accompanying the group. Also attending the conference were members of the private sector, Ms. Slaughter-Nichols and Mr. Egan.

Ms. Slaughter-Nichols said the Chamber has developed a strategic plan to move on to the next phase regarding the civic center in Springfield and she asked that the city continue as a partner in this project. She discussed possible ways the city could be involved regarding urban renewal, etc. She said the Chamber is also trying to engage the private sector, but will need the public sector as well. The Chamber is currently in the process of scheduling meetings with the private sector individuals and some groups. They will continue meetings through March and April, 2004. The Chamber would like to return to council at a future date to discuss public sector involvement.

Mr. Egan introduced President-Elect Corkey Gourley.

Mr. Gourley discussed the benefits and opportunities of living in Springfield. He discussed marketing partnerships and what Springfield has to offer. We have people of vision, often held back only by their own fears. The Chamber is looking at what they can do to make this a better community. Everyone has strengths, and weaknesses. There are times when others with expertise need to be hired. He said it takes a community to make a community and there are many opportunities coming to Springfield. He discussed his experiences with challenges faced by the City of Albany.

Mr. Gourley discussed the Mayor's Business Advance Team (MBAT) plan Mayor Leiken has proposed and the cooperative effort it will involve. There is potential for quality growth in

Springfield. The Chamber and the council are monitoring the Lane Metro Partnership to see what part each plays within that partnership and what the future holds. Other models of partnership between cities and chambers regarding economic development have been studied such as the model in Bend, Oregon. The Chamber would like to look into such a partnership with the city. It is fun to be an ambassador for this city because there is a lot to be proud of in Springfield.

Mr. Egan said in response to the Mayor's MBAT team, the Chamber would like to meet with the city leadership to put together a framework to begin the process of looking at economic opportunities and how the city and Chamber could work together to make those opportunities a reality.

Mr. Kelly said the core of the issue is the topic of economic development. This council and past councils have chosen the model of using the Lane Metro Partnership as a primary recruiter for Eugene and Springfield. The Chamber board has had some discussion regarding the Lane Metro Partnership and whether or not they are effective promoting economic development. These issues also need to be discussed with the council. He discussed working better with the Lane Metro Partnership as point for local business assistance, expansion and recruitment. He discussed the City of Bend and their model of using the Chamber for economic development.

Mayor Leiken said he agrees with Mr. Gourley about the benefits of living in Springfield. He discussed the MBAT and economic opportunities. Partnering with the Chamber for economic development is an opportunity. He said council wanted to give Lane Metro Partnership the benefit. The city should have something in place in our community even if we continue to support the Lane Metro Partnership. He said our council and Chamber know how the city operates and needs a voice in our economic development future. There are great opportunities here and this is a good way to increase the connection with the Chamber. The idea is to have something in place that can work in the future. He appreciates that the Chamber is interested in working with the city on economic development.

Councilor Fitch said the closer the partnership with the Chamber the better the ability to get the word out to current and future businesses regarding opportunities in Springfield. The city can put things in place to assist, but it needs to be a market driven economy by the private sector. With a strong partnership with the Chamber, it allows those businesses that want to grow to stay within our city. There is a mixture of new businesses and redevelopment.

Mr. Egan said they look forward to future conversations with the council on this subject. He said everyone would benefit by the strengthening of the economy. The Chamber will contact the Mayor to discuss his MBAT program and schedule another joint meeting with council in a couple of months. The Chamber does work with the Lane Metro Partnership, but that does not mean that is the only way to market redevelopment areas and potential in our community. Ways need to be found to strengthen our possibilities of getting people to move here from other cities.

Mr. Egan introduced Chamber Vice President Mike Donnelly. Mr. Donnelly will be coordinating the Alumni Auction next year.

Mr. Donnelly discussed the partnership with the Chamber and the School District. He acknowledged Mr. Egan and the staff at the Chamber for their leadership and their commitment to education. The Chamber has had conversations about how our students will graduate and become strong members of this community. Many Springfield School principals have served on the Education Committee of the Chamber. In looking across the state at a Kindergarten through 12 (K-12) continuum and school to work programs, Springfield is on the cutting edge in building a strong relationship between the Chamber and the School District. This partnership has become formal by the signing of a contract allowing the two agencies to talk together on a formal basis to analyze programs. He discussed a program with juniors from the high school in problem-solving moral and ethical workplace situations. He discussed middle school and high school career days. School to work is a big part of K-12 planning in both the high schools and elementary schools. The energy and efforts that go into this partnership will translate into a strong program.

Mr. Egan discussed having business people interacting with students during career days. The business people and students who attend this event gain a lot from this connection. Springfield has a great future with the potential of the students in our area. It can be a high quality world. The Chamber's role is workforce and they are motivated to assist these students to be more prepared for work. It is beneficial for the students to see what people are doing in our own town.

Mr. Egan introduced Chamber Treasurer Dean Huber.

Mr. Huber discussed the Chamber work plan and several initiatives. The Chamber has come up with some ideas to augment their revenue to assist with these programs. Three ideas they are planning for this year include: 1) Coupons included in the Chamber newsletter paid by the businesses whose coupons are included. This gives a lot of exposure to these businesses as the newsletter is a direct mail. 2) Jointly with American Marketing Association sponsoring a speaker's event. This year's topic is Sports Marketing and a national speaker from back east will be among the speakers at this event, as well as speakers from the University of Oregon. Topics for these events may change from year to year. 3) A raffle tied in with a new member event on June 22 at Roaring Rapids. Those who buy tickets will have a choice of prizes such as a trip to Hawaii, a tent trailer, etc.

Councilor Ballew asked how much they expected to earn from all three events.

Mr. Huber said they anticipate earning between \$20,000 and \$30,000.

Mr. Egan said that even if they do not make money in the beginning, if these events are sustainable and grow in years to come, it will be worthwhile.

Mr. Egan said they look forward to working with the city and will keep council updated on future improvements and accomplishments.

Councilor Fitch commended the Chamber for their partnership with the school district. She discussed the recent United Front trip in Washington DC and the meetings she, Councilor Ballew and Ms. Pappas attended with the school district. There is a great deal of respect for Springfield School Superintendent Nancy Golden. She is well known and well perceived and that brings a lot

of admiration and respect for what the school district is trying to accomplish. Councilor Fitch is excited for the future of our students.

Councilor Ralston asked how appropriate it would be for the Chamber to be part of TEAM Springfield.

Councilor Fitch said TEAM Springfield has been limited to boards that have been elected by the public. Different partners have been included on certain projects at times.

Mr. Kelly agreed and said TEAM Springfield has partnered with other agencies as needs arose. There may be further discussion to possibly include other agencies. This could be discussed at the June TEAM Springfield meeting.

Mayor Leiken asked if the Chamber has received calls or responses on Fiesta Latina.

Mr. Egan said they have received calls. The Latino community has been pleased with the events Springfield has hosted. They are comfortable bringing the festival to Springfield. Our community should be very excited. It will be a good fit.

Discussion was held regarding the listing of members in the Springfield Magazine.

## 2. Museum Committee Application Review for Five Positions.

Economic Development Manager John Tamulonis presented the staff report on this item. Mr. Tamulonis said the purpose for tonight's work session is for council to review and approve the applications for five open positions on the Museum Committee. Applications have been received from the following prospective committee members: Ginger Connole, Janice Dresser, Estelle McCafferty, Susan Oldham, and Elizabeth Stubbs.

The Museum Committee Charge states that the committee "was formed to administer the Springfield Museum." Committee members serve as volunteer staff to assist the Museum Coordinator. Applicants have met with staff and board members to discuss Museum Committee service, review volunteer assignment descriptions and the Statement of Understanding; each is aware of the time commitment involved.

Ginger Connole, Janice Dresser, and Elizabeth Stubbs are first time applicants. Ms. Stubbs is applying for Volunteer Coordinator to replace Maureen Sicotte who resigned due to illness. She will serve until April 7, 2007. Ginger Connole is applying for Program Coordinator to replace David Wilson who resigned for personal reasons. She is interested in working on various projects and will serve until February 5, 2005. Janice Dresser is applying for the position of Friends of the Museum Coordinator. She is committed to increasing paid memberships and working in the community to promote support for the Museum. She will serve until March 15, 2008. Estelle McCafferty completed a four-year term as Registrar and is applying to serve a second term. Susan Oldham completed a four-year term as the Newsletter/Graphics Coordinator. She is applying to continue in this position. Both Ms. McCafferty and Ms. Oldham will serve until March 15, 2008.

The Springfield Museum Board of Directors recommends that council approve all the candidates for membership as volunteer staff for the Springfield Museum Committee.

Council consensus was to appoint the applicants to the positions.

Councilor Ballew asked if the Museum Committee was working toward becoming more self-financing.

Mr. Tamulonis said a subcommittee of the Museum Board is working on this now, expanding their outreach. An announcement will be made in the next three or four weeks regarding the progress they are making.

Mr. Kelly described the difference between the Museum Committee and the Museum Board. The Museum Committee is the operating committee with its members performing volunteer work. The Museum Board is more of the fund raising group, reaching out to the community to find ways to become more self-sufficient.

Mr. Tamulonis said that Maureen Sicotte, formerly on the Budget Committee, spear-headed the early portion of the self-financing effort. Both the Museum Committee and Museum Board have put a lot of energy into this effort.

Councilor Ralston said a new Museum Committee liaison will need to be found from the council because of Tim Malloy's resignation.

### 3. 2003 Annual Financial Report.

Accounting Manager Valerie Warner presented the staff report on this item. Ms. Warner said that in accordance with Oregon statutes and the City's Charter, the city is required to complete an annual audit and financial statement. Ms. Warner presented the report, which was included in the agenda packet, to council. This report is scheduled for formal acceptance by the consent calendar on March 15, 2004.

Ms. Warner introduced Mary Case, who is in charge of municipal audits and Kelly Kenney, who is a CPA, from Moss Adams, the city's independent auditors. Ms. Warner said these two were excellent to work with and brought a great deal of professionalism and expertise to the process. Moss Adams completed their audit of the city's 2002/2003 Comprehensive Annual Financial Report (CAFR) and issued their opinion thereon.

As a preliminary summary for the council's information, it was noted that the auditors found no material weaknesses in the city's internal financial controls and they issued a "clean opinion" on the city's annual financial report. This means the city is properly accounting for the city's financial resources and that the city is using adequate financial controls to help prevent any improper use of those resources.

This was the first year the city implemented the reporting guidance issued by the Governmental Accounting Standards Board (GASB) commonly known as GASB34. This guidance required the city to make many changes to the content of the report including the addition of "entity-wide" financial statements and a narrative section called "Management's Discussion and Analysis". In June 2001 a committee was formed to prepare for the GASB requirements. Len Goodwin, Robin White, Donna Reinhart, Robert Erick, Mary Jean Payne and Ms. Warner were on this committee. Although three of the committee members left the city before the process was completed, their contributions were very important for the end product. The most difficult task was to assign a cost to the city's infrastructure. Mr. Goodwin and Ms. White spent at least six months on this portion of the project. Ms. Warner said there is no management letter this year as the auditors did not identify any weaknesses in the city's internal controls.

Councilor Fitch commended staff for this accomplishment.

Ms. Warner referred to the CAFR included in the agenda packet and the information included in that statement. Once council approves the CAFR at next week's regular meeting, it will be posted to the city's website.

Ms. Case acknowledged Ms. Warner and her accomplishment in fulfilling the requirements of GASB34.

Ms. Case reviewed the audit process and discussed the highlights of the CAFR. Ms. Case said she and Ms. Kenney would be discussing 1) the Auditor's Reports, 2) the GASB34 Reporting Model, 3) Required Communications from Auditors to Those Responsible for Oversight of Financial Reporting Process, and 4) Summary.

Ms. Case referred to the CAFR included in the agenda packet which is the responsibility of the city. Moss Adams is responsible to do the physical evaluation of the financial statements and render an opinion on the fairness of those statements in accordance with generally accepted accounting principles.

Ms. Case referred to the Independent Auditor's Report which was included in the CAFR in the agenda packet. Their opinion is listed as an unqualified opinion, meaning there are no qualifications there. Their report discussed the significant new accounting standard that was implemented this year and the fact that the city can't have comparative statements between years because it is so different from prior years.

The report states that the audit was performed in accordance with Government Auditing Standards. These standards are higher than regular auditing standards. A second report is included in the CAFR. This report would address any reportable conditions in internal controls or material weaknesses if there were any, which there were not.

The report refers to required supplementary information that is included in the CAFR. This supplemental information includes a new section called the Management's Discussion and Analysis (MDA). The auditors read this section to be sure it is consistent with all other information in the Financial Statement. The report also refers to the "Statistical Section".

Ms. Case said the auditors perform two audits of the city's CAFR. They do the audit of the Financial Statements and the audit of compliance. Whenever an organization receives federal dollars, an opinion must be rendered on the most significant dollars included. The city received a clean, unqualified opinion in this area. A total of three audit reports were issued; two were opinions and the third was the report in accordance with Government Auditing Standards.

Ms. Case introduced Kelly Kenney.

Ms. Kenney gave a summary of GASB34. She said GASB34 is a new reporting model for the city. The Governmental Accounting Standards Board tried to create Financial Statements that were more user friendly, where comparisons could be made between the city's financials and those of outside business organizations. The GASB added a couple of new statements to the Financial Statement Package, the Management Discussion and Analysis and left some items the same, including fund financial statements. This created an improvement to the city's fiscal and operational accountability.

Ms. Kenney referred to two new statements included in the CAFR; the government wide financial statements. These statements show an overview of the city as a whole rather than breaking it into different funds. The first statement is the statement of net assets, which reports all financial and capital assets, including the city's entire infrastructure. It reports current and long-term liabilities. The net assets are presented in order of accessibility. There is also a statement of activities, which shows all changes in government-wide net assets. This statement has more of a service or functional focus, rather than a revenue focus. This statement provides more useful information and makes it easier to understand.

Ms. Kenney said the Fund Financial Statements are still included in the CAFR. Those funds include: 1) Governmental funds (tax supported activities); 2) Proprietary funds; and 3) Fiduciary funds. These fund statements are still part of the basic financial statements.

Ms. Kenney said it took staff triple the amount of time, complying with GASB34, to prepare transactions to get the financial statements to move from a fund basis to a government-wide basis. Another new feature is the Management Discussion and Analysis (MD&A). The MD&A is a comprehensive narrative of the city and its finances. The main goal of the MD&A was to put the city's finances in easily understood language. The GASB is specific about what topics can be included in the MD&A and what cannot be included. Those items that can be included are: 1) Budget comparisons, 2) Major fund analysis, and 3) Graphical presentations on revenue and expenditures. Most importantly are listed known facts, decisions, or conditions expected to have a significant impact on the city. The MD&A is not included within the scope of the audit, although it is reviewed by the auditors to make sure it is consistent with the rest of the financial statements.

Ms. Kenney said implementation of GASB 34 took a significant amount of time. The two biggest areas were capital assets and the MD&A. The auditors took a lot of time looking at historical cost information and were very impressed with the city's historical records. The MD&A will change every year because it is a snapshot of the year. Ms. Kenney gave a special thanks to Ms. Warner, Ms. Payne and the staff for their great work on GASB34.

Ms. Case discussed the communication that occurs during the course of the audit. The city is responsible for the financial statement and the auditors ask the city for representation letters to the auditors confirming they have made all records available. The city is responsible for the implementation of programs and for internal control. The auditors also checks to see if there are any plans that occur subsequent to the end of the year that could have a bearing on the values in the financial statements.

Ms. Case discussed communication from the auditors to the city during the audit process. The auditors are required to provide the following information to the city:

- All audit adjustments proposed by Moss Adams
- Any significant accounting policies applicable to the city
- Accounting estimates are reasonable
- Outside consultation with other accountants – there were none
- Disagreements with management – there were none
- Difficulties in performing the audit – there were none
- New auditing standards – SAS 99

Ms. Case discussed some of these new standards and what they would entail. Members of the Council and staff may be interviewed regarding fraud, and parts of the audit will be unannounced.

Councilor Fitch asked if enough data would be coming back to make a difference.

Ms. Case said the information would make the auditing process more effective.

Mr. Kelly said that due to time constraints and an important public hearing at 7:00pm, the auditors would need to wrap up their presentation.

Ms. Kenney asked the Mayor and council to review the MD&A for information. She gave a quick summary of the audit.

Ms. Warner reminded council to contact her if they have any questions.

#### ADJOURNMENT

The meeting was adjourned at 6:58 pm.

Minutes Recorder – Amy Sowa

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Sidney W. Leiken  
Mayor

Attest:

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Amy Sowa  
City Recorder